



Democrat Health Proposals
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The Democrat Proposal for a Government-Run Health Care System

The Issue:

Health care in this country **costs over \$2 trillion dollars** a year which is approximately **17% of the Nation's GDP**.¹ U.S. health care spending is expected to increase at similar levels for the next decade reaching **\$4.3 trillion in 2017, or 20 percent of GDP**.¹ There are over **46 million Americans** that are periodically uninsured throughout the year.²

Today, chronic diseases—such as cardiovascular disease (primarily heart disease and stroke), cancer, and diabetes—are among the **most prevalent, costly, and preventable** of all health problems. Seven of every 10 Americans who die each year, or **more than 1.7 million people**, die of a chronic disease.³ The costs of treating these chronic diseases accounts for **more than 75%** of the nation's overall \$2 trillion medical care costs.³

President Obama on June 2, 2009 sent a letter to Senators Baucus and Kennedy reinforcing his campaign promise for sweeping health care reform by October of this year.⁴

The House of Representatives passed **H.R. 3962, the Affordable Health Care for America Act**, on November 7, 2009 by a vote of 220 to 215. The Senate passed **H.R. 3590, The Patient Protection and Affordable Care Act**, on December 24, 2009 by a party line vote of 60 to 39. The House passed the Senate bill on Sunday March 21, 2010 by a vote of 219 to 212 with all Republicans and 34 Democrats voting No. President Obama signed H.R. 3950 into law on March 23, 2010.

Provisions of the Bill:

- **Government-Run Exchange:** This provides an “Exchange” (like Massachusetts) for individuals to purchase government “approved” health insurance.
- **Federal Health Board:** Creates a public/private advisory committee that will determine the benefits package and cost-sharing arrangements for public, individual and employer plans that all Americans must be covered under.
- **Employer and Individual Mandate to purchase insurance:**

¹ Andrea Sisko et al., "Health Spending Projections Through 2018: Recession Effects Add Uncertainty to the Outlook," Health Affairs, March/April 2009, at <http://content.healthaffairs.org/cgi/reprint/28/2/w346> (May 14, 2009).

Ricardo Alonso-Zaldivar, "Health Care Costs Top \$2 Trillion, Los Angeles Times/Seattle Times, January 8, 2008

² http://www.census.gov/Press-Release/www/releases/archives/income_wealth/010583.html

³ Department of Health and Human Services, CDC Chronic Disease Overview: <http://www.cdc.gov/NCCdphp/overview.htm>

⁴ Letter from President Obama to Senator's Baucus and Kennedy (6.2.09)

- Requires all Americans to purchase “qualified” insurance defined by the government with a tax penalty tax penalty and up to 5 years in prison for non-compliance.
- Requires businesses to “pay-or-play”, either pay for employee’s health insurance or pay a \$2,000 tax to the federal government.
- Raises taxes **\$569.2 billion over ten years**.
- **\$1.2 Trillion in Gross Total Spending for 10 years:** \$2.6 Trillion in total spending by year 2023.
- **\$523.5 Billion Medicare Cuts⁵:** that will reduce benefits, increase premiums and further erode Medicare’s solvency. Additionally, at least **4.8 million seniors will lose** their Medicare Advantage coverage.
- **23 Million Americans still Uninsured in 2019⁶**
- **State Buy-Outs:** “Cornhusker Kickback”, “Louisiana Purchase” and “Gator-Aid” – giving certain states and additional funds in Medicare and Medicaid that no other state receives.
- **Massive Tax Increases on Job Creators and Investors**
 - 20% Income Tax Hike – new Medicare tax raises tax rate on earned income an additional 3% (could reach up to 45.4% when tax cuts expire)
 - 37% Investment Tax Hike – with health care and the President’s budget tax rate on Capital Gains will be 23.8%

Sessions Health Care Solutions

Congressman Sessions’ health care solutions provides for **NO tax increase, NO job loss, and NO Medicare cuts** while **saving taxpayer money** over the next 10 years. Below are some of the main themes addressed in his plan:

- **Creates Universal Access Programs for those with pre-existing conditions:** Expands high-risk pools.
- **Tort Reform:** Models successful tort reform for the U.S. on Texas law that will save taxpayers \$54 billion.
- **Common Sense Insurance Reforms:** Eliminates an insurance company’s ability to drop individuals for getting sick, or from placing arbitrary caps on annual or lifetime spending.
- **Creation of Small Business Health Plans:** This would allow small businesses to band together to create larger pools to bring down health care costs, and increase choice and options.
- **Rewards Innovation:** This legislation provides incentive payments and more flexibility for States that come up with innovative, efficient and successful ways to cover their uninsured.
- **Creates Portability:** Allows individuals to purchase health insurance across state lines to provide ownership to move from job to job or state to state.
- **Encourages Prevention and Wellness:** Gives Employers flexibility for encouraging healthier behavior.
- **Expands the Use of Health Savings Accounts (HSAs):** Creates incentives for all individuals to participate in HSAs for future and long-term health care needs.
- **Keeps Young Adults on Parents Coverage:** up to age 25 for all children
- **Allowing Individuals to use pre-tax dollars for all health care expenditures:** Giving everyone the same tax advantage that Unions and Corporations currently enjoy.

⁵ <http://www.cbo.gov/ftpdocs/113xx/doc11379/Manager'sAmendmenttoReconciliationProposal.pdf>

⁶ <http://www.cbo.gov/ftpdocs/113xx/doc11379/Manager'sAmendmenttoReconciliationProposal.pdf>